Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

CONTENTS

October 17, 1968 — No 483

Opera Mundi EUROPE

A WEEKLY REPORT ON THE ECONOMY OF THE COMMON MARKET

PUBLISHED ON BEHALF OF OPERA MUNDI BY EUROPEAN INTELLIGENCE LIMITED
EUROPA HOUSE ROYAL TUNBRIDGE WELLS KENT *TEL. 25202/4 TELEX 95114*

OPERA MUNDI EUROPE

100 Avenue Raymond Poincaré - PARIS 16e
TEL: KLE 54-12 34-21 - CCP PARIS 3235-50

EDITOR & PUBLISHER . . PAUL WINKLER
EXECUTIVE EDITOR . . CHARLES RONSAC
MANAGING EDITOR . . . . ANDRE GIRAUD

SWITZERLAND	ITALY	BENELUX
54 Rue Vermont GENEVA TEL: 33 7693	72 Corso di Porta Romana MILAN TEL: 540.301 - 540.309	4 Boulevard Anspach BRUSSELS TEL: 18-01-93

o

SUBSCRIPTION RATES

U.K. EIRE AND STERLING AREA £75 ONE YEAR £40 SIX MONTHS
U.S.A. AND CANADA $250 ONE YEAR $135 SIX MONTHS INCLUDING AIRMAIL
OTHER COUNTRIES AT LOCAL EQUIVALENT OF U.K. RATES

Printed and Published by EUROPEAN INTELLIGENCE LIMITED
at Europa House, Royal Tunbridge Wells, Kent, England

THE WEEK IN THE COMMUNITY

October 7 - October 13, 1968

EURATOM

Regeneration: The Commission's Formula

Since December 8, 1967, the EEC's nuclear community has remained frozen on the brink of total collapse, but on October 9 the Commission completed the major report it has been preparing on way and means of "relaunching" Euratom, and this was presented to the press by Fritz Hellwig, vice-president responsible for Technology and Nuclear Affairs, on Thursday. The current crisis was precipitated last December when the Council of Ministers met and failed to reach agreement on the matter of contracts of association granted by Euratom towards the cost of specific projects undertaken by one or more members (see No 439). Matters reached such a pitch that the whole budgetary system of the nuclear community was suspended, the 1968 budget pruned to half size and all but current association contracts annulled. Little if any headway has been made at permanent representatives' level in the meantime, and it is only to be hoped that these fresh proposals from the Commission will be able to stir some progress again.

The mainspring behind the proposals is concern over the dissipation of effort: in this, so the Commission maintains, resides much of Euratom's failure to live up to expectations in the ten years since its inception. Debilitating barriers between and inside member states have stubbornly persisted, and through "enlightened national self-interest" and a failure of the Community idea to "click" in this sector we have still the situation where governments have looked first to their own industries in awarding contracts, and those industries in turn have placed contracts with others inside the country in question, despite the opportunities offered by removal of customs duties and quotas at the very start of the Euratom venture. It is this sort of attitude again, at Government level, that has further crippled progress in the nuclear community, with the "just returns" principle used as a platform by such countries as Italy, which claim not to be receiving a fair slice of the cake in terms of work put out by Euratom projects. Again, as in other sectors, France in particular has resisted moves tending to allow more decision-making to devolve upon the Brussels authorities, and this in turn has frustrated efforts to coordinate the work of Euratom. The situation has now become critical, and the Commission's report makes no bones about the future of nuclear development, indeed technological development in general in the Community, if positive steps are not taken soon to get things moving.

The Commission's report is tripartite: first, there is the general review of the situation in the Six's nuclear community, providing a framework for more specific proposals, some of which break with the orthodox thinking of Euratom, which has patently failed to provide an answer so far - already this has been dubbed the "Euratom White Paper". Second, there is offered a pluri-annual research and information policy in draft form, for ratification by the Council, which is due to meet on the subject on November 28, and third, there are budgetary proposals for next year. The pluri-annual programme is provisionally costed at $ 335 million, and the 1969 budget at $ 68 million, compared with the sum of just over $ 45 million that was finally agreed as the interim budget (about half the original sum apportioned) that has carried Euratom thus far through 1968.

Any more detailed analysis of the "white paper" however, must needs be prefaced with one important observation, occasioned by the pluri-annual programme and the 1969 budget that appear with it. The nature of these, and the scope of the latter in particular, unfortunately would appear to betoken the fact that despite everything, it is the "doves" of the Commission that eventually won the day. Whilst the review is adventurous and ambitious, recommending in places wiping the Euratom slate clean and providing it with new terms of reference, the other two drafts are in fact very similar to those that have gone before, that have dovetailed into the pattern of failure. It is the Euratom traditionalists, those who would by some contrivance seek to strike a balance between the various vested interests at play and somehow "communitise" the various members' research programmes that evidently dictated the terms of the draft proposals, and it is upon these that the Council will work. This being so, there is still every danger that the quest to reorientate Euratom could fail: the review has provided the ideas, but the proposals have failed to provide the ammunition.

This said, we can turn to the review itself, which places its observations on the dissipation of effort in Euratom in two particular contexts:

a) The complete rupture between industry and research, as is well illustrated by the case of Orgel. Here, we have a complete reactor developed at the Research Establishment at Ispra in Italy, for which no builder in the Community has yet stepped forward to take up commercial production. It is folly, when the advanced countries are on the brink of a major swing towards nuclear energy as a source of electricity, and when the first nuclear power stations are already in commission, that research work of this kind should continue in complete vacuum in this way.

b) The Six's hidebound attitudes towards cooperation, whereby until now they have solemnly followed a fixed ratio of contributions to the overall Community research programme. What did it matter if the Dutch were not interested in "Phoenix", if France believed the Petten Centre to be a waste of time, if Italy's PEC reactor was considered a white elephant by the rest? All had to foot the bills regardless - result: the just returns principle, whereby resentment of certain projects was supposedly scotched, with each country receiving credits from Euratom, in terms of contracts, in proportion to its contribution to the budget. What in fact happened was that resentments merely spiralled, and friction between members grew steadily worse, until the whole thing blew up and then deteriorated into the "Euratom on the cheap" situation that has persisted throughout 1968. It was absurd to try and make such a rigid system work, in a community whose members are at such differing stages of nuclear development, and wherein just one member has an important military nuclear sector.

Having underlined these two basic weaknesses, the Commission goes on to stress that two main courses of action must now be followed: a) nuclear research must now be linked positively to both energy and industrial policy, and b) cooperation must be pursued in a flexible manner, in particular by varying the breakdown of contribution ratios per member state according to the projects, and according to each state's relative interest therein. By way of achieving these ends, the Commission then offers its six-point programme of reform in detail:

1) The basic objective is to provide the Community in the long term with assured and convenient supplies of energy from the nuclear sector, and thereby to offer fresh opportunities for the expansion of industry. For this aim to be achieved, there must now be a concerted effort on the part of the public authorities, the electricity supply undertakings and generating plant contractors. To redress the balance, it is not enough to invest in research: simultaneous action must be taken in the field of industrial restructuring.

2) Coupled with the nuclear development strategy must be a reactor development programme, the field in which there is now such an appalling dissipation of effort. Member states cannot indulge in the luxury of taking up to the manufacturing stage half a dozen reactors, or variants of reactors with advanced heavy water or high temperature convertors, while at the same time pursuing two or three separate projects in the fast breeder reactor field. The Commission is looking for the Six to agree on a single reactor head type for third generation reactors and heavy water converters. Nevertheless, when it comes on to its programme and budget proposals, the Commission merely pushes funds towards all the types of reactor developed in the Community.

3) Whatever options are taken in progressing towards a coherent reactor development programme, however, the fact remains that there will always have to be a ready source of enriched uranium. We are thus faced with the problem of building an isotope separation plant in Europe of sufficient size to produce enriched uranium at competitive prices, and with that of approaching this as a communal venture - a chance for joint action in a vital field.

4) Overall coordination is absolutely necessary if the Community is to avoid merely adding its programmes to those of its member states, and for this to be achieved the Commission must, in conformity with Article 5 of the Euratom Treaty, be kept fully acquainted with all the details of research programmes being carried out by members, and so scrutinise these in order to ensure that all nuclear research in the Community falls into a coherent pattern overall. It is in balancing-out expenses right across the board, and in this way alone, that any sense can be made of the "just returns" principle. Recourse to the provisions of the Treaty again offers a way of both authorising the breakdown of members' contributions towards projects and at the same time guaranteeing agreed action between them.

Unfortunately, the Commission leaves itself wide open to those who would prefer to maintain the old forms of cooperation when it suggests that the complementary programmes - i.e. those that do not involve all of the Six - should be treated as exceptional, and that the Commission as such should have some say in the running of all of them: this is an idea that is likely to be sat on at ministers' level.

5) The establishments run by the Joint Research Centre should clearly be included in the drafting of a concerted policy of nuclear development. The reorientation of national or community research bodies should not entail the sacrifice of fundamental research, which is essential to further technical progress, and advancement in fields other than that of electricity generating.

6) Concentration of effort, however, is not the be all and end all of the problem, as it is equally important to bring to fruition other projects, essential not only to nuclear development, but also to technological and general industrial advancement. These include European company law alignment, the removal of administrative and fiscal barriers to concentration, European patents law, the single capital market, inter-university cooperation, public research centres and companies, and also the coordination of the work of many international bodies which are financed by the same sources but which lack any common objectives.

On such guidelines as these, it should be possible better to utilise the considerable sums made available, which in fact are only slightly less than that spent on civil nuclear research in the USA, and in fact greater as a proportion of GNP, over the last ten years. The telling fact, juxtaposed to this however, is that whereas the Community has some 17 nuclear power stations now in operation, and producing 2,277 MWe, against 15 in the USA (albeit for 2,299 MWe), the number of those under construction or on order, amounts to only about 20 in the EEC (6,000 MWe app.) against no less than a hundred in the United States, representing 60,000 MWe....

In concluding its review, the Commission stresses its opinion that if there continues to be disagreement over the future of Euratom, there could be serious consequences, not only for the nuclear community, but in other fields of community action. As far as Euratom itself is concerned, continuing disagreement would not only precipitate the collapse of common research programmes and the failure to achieve nuclear coordination in the Six, but also signify an immense squandering of brainpower. The market for nuclear power stations would be limited and competitive industrial development would fail in consequence. In the wake of this would come invasion of the market by better organised foreign competition, bolstered by the scope of its home markets. Moreover, such a collapse in the face of foreign competition in a key sector such as this could well bring with it a degree of decline in many of the other vital spearhead sectors, the technology-based industries, upon which the whole of the Community's future depends.

* * *

EEC ECONOMY

Prospects Bright

The latest economic survey carried out by the Commission appears to indicate that the expected upswing in the Common Market's activity is under way. It reports that industrial production continued to grow during recent months, especially so in West Germany, where a strong increase in both foreign and home demand helped to boost order books, so that delivery dates are now reaching further ahead in some industries. In Belgium foreign orders and a slight strengthening of domestic demand gave production an upward trend, although in the Netherlands there seems to have been a slight slowing down in expansion. In Italy, despite what appears to be a slackening-off at home, export demand is still strong. The situation in France after the May-June crisis and the holidays is also better than might have been expected.

Consumer prices have generally remained stable except in France as the usual seasonal factors were helped by a good harvest of fruit and vegetables in most of the Six, although prices for industrial finished goods and services continued to move upwards. In Germany the cost-of-living index, excluding food, beverages and tobacco rose by 0.6 between June and August, but in July the TVA was increased from 10 to 11 %. In Italy the situation was reasonably calm, whilst in France the increase in the period under consideration, was modest bearing in mind the hiking of wage costs. Turning to retail sales, the report says "in most member countries the trend has of late reflected the more vigorous expansion that is occurring in private consumption. In Belgium and the Netherlands retail sales appeared to have been doing well, whilst in Italy the modest increase in such sales is probably due to uncertainty over the economic situation. The rise in French wages led to a considerable surge in spending especially on consumer durables, whilst in Germany the position since the start of the second quarter has been better than in 1966 or 1967.

Wages have been dominated by the results of the crisis in France. During the period April to July hourly rates rose by some 10% and were thus almost 15% higher than in 1967. The statutory minimum wage in industry and agriculture rose to F 3 an hour, which meant increases of 35% and 56% respectively. In Germany, wages also increased more rapidly than before, whilst in other member countries wages rose at much the same pace as previously. Unemployment in the Six varies from country to country, with the situation improving in both the Netherlands and West Germany, although appearing to remain static in Belgium. In Italy it seems that the drop in those out of work may have halted, whilst in France the report says the position appeared to deteriorate after the strikes. However later information does indicate some recovery in France.

The decline in the surplus on the balance of trade with non-member countries, noticed earlier in the year, continued. One contributory factor was probably the increased economic activity within the Six boosting imports from third countries. In France, the crisis appears to have affected exports rather than imports, and the assessment of the

Italian position as a result of statistical changes has become clearer. Furthermore the high volume of exports to both Britain and the USA has begun to decline as internal measures to improve the economies of both countries begin to bite. Imports from the non-member countries were 2.5% higher in the second quarter than in the first quarter, and 10% higher than in the same period in 1967. French imports recovered rapidly, and in Germany finished products purchased from abroad have shown an upward trend, although the replenishment of ra materials and semi-finished products has slowed down. In Italy, there was a change in the i import trend and a perceptible increase was recorded, although in Benelux countries the vigorous trend in imports appears to have slowed down. The terms of trade for the Communit have broken away from their normal pattern for the time of year and seem to favour the Six. Average export values rose somewhat in the Benelux countries, although throughout the Common Market average import values tended downwards due to the continued easing of prices on international markets for certain important raw materials.

Share prices in general remained little influenced by the events in France or those in Czechslovakia. In France, however, share prices did not really recover from, their decline after the crisis, until August. The uncertain outlook in Italy helped to depress prices there, although in the other members was reflected a certain optimism and the situation looks hopeful. In Germany however speculation about a change in the parity of the mark led to a damping effect on prices. The Commission's survey states that long-term interest rates have been tighter in Six since May, but in France the situation has shown signs of returning to normal since the end of July. In the Netherlands, the volume of loans floated by the government and the Bank voor Nederlandse Gemeenten in June, July and August was almost as great as in the previous five months. In Italy to the public authorities floated a considerable volume of issues, but support buying by the Banca d'Italia prevented too great a rise in interest rates. Only in Germany did long-term rates continue to tend downwards; the volume of fixed-interest-bearing securities being issued has remained high, with an increasing number of foreign borrowers floating loans on the German capital market.

The results of the latest survey of business heads show that the number of those expecting little change in the immediate future varies from country to country. In France only 53% fall into this category, whilst 26% expect an increase with 21% a decline. Those who believe a rise is likely in West Germany are 23%, with 62% expecting no change and 21% a drop in total orders. In Belgium and Italy those expecting a decline are 26%, and 26%, whilst 11% and 8% consider a rise is likely, with the number of those expecting little change at 63% and 71%. In all four countries the number of those who think there will be a drop in export orders is equal to West Germany (22% for each category) or greater than those expecting an increase in export orders. The figures for those expecting a decline are France (23%), Italy (26%) and Belgium (23%) while for an increase the figures are France (17%), Italy (13%) and Belgium(12%). In all countries an increase in production is expected, ranging from 42% in France to 19% in Italy, whilst price increases are considered likely by 52% in France (with 47% for no change), 20% in Belgium, 16% in West Germany and 12% in Italy.

AGRICULTURE

EEC Commission Studying Reform Plans

On October 8 the members of the EEC Commission received the series of documents on the reform of the Community's agriculture which the agricultural directorate, under the guidance of M. Mansholt, has prepared. The scope of these documents is very far-reaching and they reveal the basis of M. Mansholt's economic thinking which he has now had an opportunity to express, after being relieved to some extent from the thankless task of organising the details of the common market in agriculture.

The proposals are contained in four documents of major importance for the long-term future of the EEC's agriculture:

- a memorandum on the reform of agriculture, consisting of some 50 pages with statistical appendixes and projections for the future;

- a report on the structure of agriculture in the EEC. This is the first time such a report has been compiled, although arrangements for it to be done were agreed as long ago as 1962. The report rehearses which is actually being done by the six member governments and discusses their present policies; no comments or proposals are included. It appears that this report brings out the divergencies that at present exist between the national policies;

- a "green" report, which discusses the position reached on agricultural markets after one year of almost complete unification;

- proposals for prices in the 1969/70 season. There is little doubt that these proposals recommend the freezing of agricultural prices and probably even reductions in support prices in some sectors (for instance, wheat).

These documents have been prepared in the greatest secrecy within the Commission, but the time has now arrived when national governments have had to be consulted discreetly and, inevitably, some information about them is becoming known. It must be remembered, however, that discussions on the basis of the proposals still have to be held with the various specialist branches of the Commission and thus that there may well be modifications before the final report is set before the ministers of the six countries.

The kernel of the proposals is the gradual construction of an agricultural industry throughout the Community based on units of production which are large enough to make economic sense and to ensure that those working on the land receive incomes on a par with other sectors of the economy. These units of production may either be formed by normal business methods or else by the encouragement of "group farming". The kind of size aimed at is five or six times the present average in arable farming and thirty to fifty times in dairy farming. It appears that the proposals make an attempt to define economically viable units, account being taken of regional differences in the present organisation of agriculture. In order to create these units the rate of the number of farmers leaving the land must be stepped up from its present 3 per cent to 4 or 5 per cent annually. This would reduce the numbers of those actively employed in agriculture from the present figure of 11 million to 6 or 7 million by 1980. The farming units that remain after this reorganisation should be capable of producing two-thirds of the total agricultural output in the Community.

The proposals also provide for the removal of large areas of land from agricultural use and their transformation into natural parks. The area in question here is said to be 6 per cent of the present 72 million hectares (178 million acres) of the agricultural land in the EEC; this would make the total area so treated rather larger than the whole of Belgium. The report is also believed to recommend a reform of present systems of land ownership, so that farmers can pay reasonable rents and retain their capital for the development of their means of production, rather than sinking it in land.

The cost of these reforms is admitted to be very great, the figure of between £1,250 million and £2,000 million a year being mentioned. The only possible way to get national governments to accept this kind of expenditure is to reduce their present commitments in supporting agricultural markets and M. Mansholt apparently thinks that this might be possible by 1972.

A considerable effort is also proposed for the reform of marketing structures. Here again the group, in the form of producer co-operatives or through the various associations, is favoured; the aim is to have the marketing of three-quarters of agricultural production under this type of control within 10 years. The great advantage of the group is held to be that they can control the quantity of produce coming on to markets.

These reforms are obviously going to be slow to take effect to the point where they have any marked influence on the actual economic life of farmers. In order to bridge the gap the proposals contain provisions for "social" aid to farmers, not tied to particular products, with the aim of ensuring them a reasonable income in the interval. These "social" measures would be the responsibility of national governments.

* * *

TRADE

Sales Bans

With the disappearance of customs barriers inside the Community, other forms of trade barriers have taken on a much greater significance than before. The Commission has been examining these, and in particular has been paying attention to the fact that certain products cannot be sold, because they do not correspond to certain standards or are not put on sale in the manner required by a particular national law. Since these rules can apply to both national and imported goods, they are not a true form of discrimination, but they can impede the free movement of products. For example, in some member states butter must be sold in cubes, and in others it must be sold in rectangular packets; in some starch is a permitted additive in margarine, whilst in others it is forbidden.

The existence of these different rules sometimes means that producers in the Community have to make special lines for the various markets, and the additional cost could be such, that a producer might decide it was not worthwhile exporting to another member country. It is however difficult to blame the members of the Six for these drawbacks, since most of the regulations were established to deal with national products, and the fact that they must therefore apply also to imported goods does not mean that they were - in general - inspired by protectionist ideals.

In the opinion of the Commission, most of the differences can be eliminated under Article 100 of the Rome Treaty, "The Council, acting by means of a unanimous vote on a proposal of the Commission, shall issue directives for the approximation of such legislative and administrative provisions of the Member States as have a direct incidence on the establishment or functioning of the Common Market". There are however a number of cases, appearing to create quantitative restrictions, which are prohibited under Article 30 of the Treaty along with "all measures with equivalent effect". Examples of such measures would seem to be bans imposed on goods which are not produced in that country, bans which appear to have no valid foundation, or exceed what could be reasonably allowed.

As it is difficult to decide what does or what does not constitute such a sales barrier, the Commission considers that each case should be examined on its merits, taking into account a number of economic factors, in addition to the legal points mentioned earlier. The economic considerations include:

1) Trade patterns: if a ban on the sales of a certain product is followed by a sharp drop in sales, there is then some evidence of the ban's restrictive nature.

2) The existence of similar bans in other member countries: If this is not the case, it can be assumed that the ban does not fulfill a need also felt in other countries, at a similar stage of development.

3) The treatment of similar and competitive products: this is an important factor, especially if there is no national production.

It is clear from these guidelines that the number of cases, infringing Article 30 may be limited, but each will be examined separately on its own merits. If there is no clash with the Treaty under Article 30, the Commission may nevertheless decide to use Article 100 to promote harmonisation or invoke Articles 101 and 102. These cover other methods of dealing with "a disparity existing between the legislative or administrative provisions of the Member States which "distorts the conditions of competition in the Common Market and thereby causes a state of affairs which must be eliminated".

TRANSPORT

European Ports

The urgent need for some form of concerted European ports policy is daily becoming more apparent, and for this reason a delegation from the European Parliament's transport committee has been visiting French and Belgian ports, before moving on to those in the Netherlands and West Germany.

The delegation, which is headed by Mr. Posthumus, is helped in its work by the preparatory report drawn up in 1967 by Herr Seifrits reviewing the situation in the Community's ports (see OME Nos 452 to 457). There is however a considerable need for a more detailed study because of the effects of the almost frenzied competition between the different ports, who are basically serving the same market. If the present situation is allowed to continue the result might well be harmful for the Common Market as a whole.

An important factor in the committee's view is need for a co-ordination of the different ports' rules and tariffs, which are fundemental to the pattern of competition. Thus the committee would seem to consider that harmonisation and unification of the different ports' policies is necessary if a "market distortion" is to be avoided. Furthermore any moves along these lines must be made to work, otherwise competition between the various ports will reach critical proportions. The ports of the Community will have to renounce at least some of their existing independence, and steps should be taken to balance investment projects. At present there is a danger of overinvestment, for instance in new transportation handling systems such as containers, which if not regulated to some extent will lead to even fiercer competition, with a threat to most of those concerned.

*

Rhine - Danube links

The European Investment Bank has just signed a loan agreement worth $24 million (DM 96 m.) with Rheinmain Donau AG, Munich to cover part of the cost of building a 69 kilometre length of canal between Bamberg and Nuremberg. This forms part of the overall plan to link the Rhine and Danube, which will result in a 3,500 kilometre link between the North Sea and the Black Sea due for completion in 1981. The loan is for a period of 12 years, at an interest rate of 6.5 % p.a. On its completion the scheme should help to boost trade along its whole length and will carry barges exceeding 1,000 tons.

The need to develop Europe's waterways, which are used to a much greater extent than in Britain, especially for the transport of heavy goods, is an important aspect of any future European transport policy. In particular there is pressure in France for a loan from the EIB to help speed up the construction of a large and modern canal system linking the Rhine to the Rhone, and thus the North Sea to the Mediterranean.

Alignment of Legislation on Technical Requirements for Cars.

The Commission has passed on to the Council of Ministers its three proposals for the alignment of national legislation on the technical specification of motor cars in the six member countries. This move forms part of the Commission's general plan to overcome technical obstacles to trade and as such is to be pushed through as part of the first stage of the plan by the end of this year. This time-table has yet to be adopted in toto by the Council, but by all appearances it will do its best to adhere to it.

Plans dealing with direction indicators, radio suppressors, rear number plates have already been dealt with in previous years, whilst those dealing with the official approval of motor vehicles and trailers, lighting and signalling equipment, noise levels and limits of tolerance on exhausts and specific items of equipment such as fuel tanks and rear bumpers were dealt with in July (see No 472). The new regulations cover:

1) Rear view mirrors, visibility, screen wipers and jets.

2) Standardisation of plugs for electric power to trailers.

3) Horns.

The Commission is planning to implement detailed "Community norms" which would not however be binding, but would command the same sort of respect as national norms. This would mean that a member country could, if it wished, retain its domestic norms, but could not refuse importation and road licences for cars from member countries which conformed with the Community regulations. Thus all hindrances to free trade in motor cars would be eliminated.

* * *

TECHNOLOGY

The European Institute for Science and Technology.

Much has been written about the so-called "technological gap" between the United States and Europe and in spite of the concern it has caused, little has been done in concrete terms to overcome it. Published on Tuesday in Britain under the auspices of the Federal Trust for Education and Research, an organisation for the promotion of learning both in Britain and abroad, was a report setting out detailed proposals for the creation in Europe of an International Institute of Technology. The institute which would be situated on the Continent would aim at the provision of post-graduate training in the management of technology and of shorter courses for those who already have industrial experience.

There have been loose proposals for bridging the technology gap before. In December of 1966, Sig. Fanfani, the then Italian Foreign Minister, put forward some ideas to alleviate the worsening situation, which included details of the possible sectors of co-operation and plans whose aim was to "establish a common European technology in its own right". (see No 387). Sig. Fanfani's initiative was taken up by the EEC and Euratom Commissions as well as by the Council and was subsequently the subject of much discussion in the various Community institutions. Rather than having any direct and immediate effect such as the formation of an international body to bridge the gap, the Fanfani proposals can be seen as a seminal point for other more concrete ideas. They have helped to give rise to certain sections in the Benelux plan and the Italian proposals following the French veto on British entry, as well as being taken up by the British Prime Minister and the director of the Confederation of British Industry (see No 435 & 346). One of Mr. Wilson's seven points in his Guildhall speech of November 13, 1967, explicitly mentioned the need for the British government to cooperate both with industry and with other governments in sponsoring a European Institute of Technology. The Prime Minister said that such an institute could "examine case by case, area by area, industry by industry, the means to greater European technological cooperation." A week after this speech Mr. John Davies, the director of the C.B.I. made a similar speech in which the need for an European Institute of Technology was brought out in particular. The institute should, he thought, be set up on a multilateral basis, sponsored by all the participating governments but controlled by an international board drawn not only from Government, but from industrial sources. Knowledge accruing from any of the projects jointly engaged in by the member countries would be made available to any other member countries interested.

According to Mr. Diarmid McLaughlin, director of the Federal Trust, the major need in Europe is for some sort of federal agency or government to pump vast sums into research and development on a European basis. The main reason for the so-called technological gap between Europe and the United States is the lack of coordination between projects in the different European states. If things were organised on a broader technological base as they are in the United States, the small, overlapping and uneconomic national projects could give way to adequately financed projects uniting the best brains in Europe in specific fields under one umbrella.

The history of European cooperation has not been good however. The Concorde and airbus projects have been good indicators for the future, but national interests in the specific field of research and development remain far too divergent for real international cooperation, so that governments have, more often than not, returned to their own small and uneconomic programmes. In the knowledge that technological cooperation is not an easy goal to achieve the committee of European industrialists, academics and administrators behind this project have not jumped in at the deep end to advocate some grandiose scheme of cooperation in any particular field. They have preferred a low-key start with the formation of this institute which is to offer to senior graduates an opportunity of complementing their scientific and technical education with training on its application in newly developing sectors and in advanced industrial uses. It is planned that the institute would bring together under one roof eminent teachers from associated countries (especially the United States and the Common Market countries), who seconded from their universities for a few years, would make available the fruit of their own research and their teaching methods. In particular it will assure to industry, and especially to the research and development sectors, competent engineers and scientists having a realistic and economic view of contemporary economic development.

The overall objective of the Institute will be the training of leaders for the management of technological research and development and innovation with reference to the total socio-economic European environment. From the standpoint it will go on to impress upon its students the intimate relationship between science and its application to industry, and the necessity for close collaboration in management of both these areas of activity, two fields for which Europe has been constantly criticised for being behind the United States.

The project already seems to be on the road to success, and some official support has already been received from European governments and civic authorities. The German and Dutch governments have allocated funds for the first preparatory years work (1969) and the Committee hopes that other government bodies will follow suit. In addition, firm offers of sites for the proposed Institute have been made on behalf of Maastricht, in the Netherlands, Milan (Italy) and Strasbourg and Fontainebleau (France) and in the case of Maastricht and Milan, the offers have been sufficiently generous for the Institute to be financially high and dry as regards its accommodation for the next five years at least. By this time it is expected that the Institute would have a total student population of 500 in four major departments, Advanced Mathematical Methods and Computer Applications, Systems Engineering, Human Sciences and the Management of Technology. In all cases the emphasis would be on interdisciplinery teaching. Eventually half the running costs should be found from private sources, some funds having already been promised. By the fifth year of operation total running costs of the Institute should be in the region of £1.2 million per annum. All keen Europeans will be watching the project intently in the hope that its potential will be realised and that it will in fact provide the basis for the establishment of a European technological community.

* * *

SOCIAL MATTERS

Community Study of the Universities

Some fairly startling facts emerge from a report just produced by the Commission's staff in Brussels on the development of the universities in the Six in recent years. Overall, the student population of the Community has risen from about 817 thousand in 1961-2 to one million four hundred thousand at the present time, a growth that is of about 70% in six years. During the same period the actual population growth of the EEC was of the order of 5.2%, from 175.4 million to 184.2 million. Top of the student population list come France, with 584,000, and the trend expected to continue, with the estimated number of students resident in universities and similar establishments put at 800,000 for 1972. In tabular form, the recent history of the student population growth in the Community reads as follows: (in thousands)

	Post 1945	1961-2	1966-7	Present Population
France	120 (200 in 1960)	232	584	50 million
Italy	210 (1956)	-	425	52 "
West Germany	-	224	272	60 "
Netherlands	-	40	67	12.5 "
Belgium	20 (1950)	-	50	9.6 "
Luxembourg	-	-	0.3	0.336

*

European Social Fund aids another 24,000 workers

The European Commission has approved grants totalling $13 million to part-finance the retraining of some 24,000 Community workers in new skills.

These payments are from the European Social Fund, which reimburses the six member governments 50 per cent of the cost of retraining and resettling redundant or under-employed workers, under approved schemes.

The break-down of the latest decisions by country is as follows:

	Grants ($)	Workers aided
Belgium	772,957	1,029
France	1,946,045	1,924
Germany	7,365,066	11,397
Italy	2,141,439	8,908
Netherlands	879,273	861
	13,044,781	24,119

The latest grants bring total Social Fund retraining and resettlement grants made since 1958 to $67.3 million, with the member governments spending a like sum (in addition to other redeployment schemes outside the Community terms of reference). The total number of workers aided through Social Fund measures is 578,000, most of them Italian.

* * *

E.C.S.C.

Contacts with London

Herr Wilhem Haferkamp, the member of the EEC Commission with special responsibility for energy matters arrived in London for two days of talks on problems affecting atomic energy, coal and electricity. Herr Haferkamp met the Minister of Power, Mr. Roy Mason, the chairman of the National Coal Board, Lord Robens as well as the chairman of the Gas Council, Sir Henry Jones.

* * *

MAGHREB STATES

Tunisian and Moroccan EEC Agreements in Sight

The Commission has been conducting talks with representatives of both the Tunisian and Moroccan governments with the intention of negotiating a partial association treaty with both these parties. Negotiations are being held individually with both these Maghreb states, those with Tunisia having been brought to a successful conclusion at the end of last week, whilst those with Morocco are still in their final stage.

It was in November of last year that Morocco decided she should follow the pattern set by Tunisia and apply for partial association, on the basis of the mandate given to the Six by the Commission. The decision to take this course was in part forced upon both the Maghreb states on account of their inability to wrest any better terms of association from the EEC authorities, and in the light of increasing trading competition from tariff-favoured Algeria. (See Nos 437 & 473). Thus the two countries were forced by circumstances to accept the limited mandate which the Commission had been granted in a treaty which covers some 70 % of their exports to the EEC.

After four days of negotiations last week the Tunisians were able to reach an agreement with the EEC authorities which is subject to approval by the national government. If the governments of the Six and that of Tunis in fact approve the compromise agreements reached by their spokesmen, which is likely to be the case, an important step towards the signing of an eventual full association agreement will have been reached.

The agreement is likely to last five years. After three years a fresh round of negotiations will begin between Tunis and Brussels with a view to its graduating to full association. The present agreement will however be limited to the trade sector. No proposals have been made to cover the financial and technical assistance fields, freedom of establishment, nor the questions of labour mobility. Even in the trade sector it will only cover 70 % of Tunisian exports to the Community. Several of the country's crucial exports, such as wine, the majority of canned fruit, vegetables and fish, and a large section of fish products, will not be covered by the Community's concession plan. Those countries which are planning to formulate common policies for agricultural production in the months to come have been unwilling to commit themselves at this time.

As regards the concessions to be granted by the Community, the two parties have found themselves largely in agreement. In the purely industrial field, Tunisia will be unfettered by tariff or quota restrictions, apart from certain petroleum products, and other products which come under the ECSC Treaty. In the agricultural sector, the doctrine of the free circulation of goods is to be limited to certain goods, such as pimentoes, dates etc. Apart from this, Tunisia will be able to enjoy important trading advantages for olive oil, citrus fruits (an 80% reduction in the customs duty), durum wheat and certain preserves.

The rub however is the question of the counter concessions which Tunisia can profitably grant the Community. The member countries of the Community have shown themselves to be somewhat greedy in demanding a 70% reduction in the Tunisian customs tariff. This level is to be reached gradually within three years, 40% in the first year, 15% in the second year and 15% in the third year. The lowering of the customs duty will of course override the extension of the preference at present granted to French goods and which on an average amounts to some 30% of the Tunisian tariff. It has now been decided moreover to consolidate the present quota system rather than improve it, which means that quotas will be increased at the same rate as during previous years and the Tunisia will be protected by safeguard clauses. For certain industrial products that Tunisia plans to produce in the future (radios, miniaturised motors for example), the Community has given an undertaking that it will continue its present rate of imports.

There remains but one problem to resolve before the agreement with Tunisia can be implemented, but this has nothing to do with relations between the EEC and Tunisia. When the Council decided to grant Tunisia and Morocco an 80% tariff preference on citrus fruits, it decided at the same time to grant a 40% preference to Spain and Israel. And it decided to implement this preference not when actual agreement had been reached with Spain and Israel, but when the agreement with Morocco and Tunisia came into force. This munificent decision on the part of the Community has put it in a difficult position as regards its agreements under GATT, and the Brussels officials are at a loss as to how they can get out of their difficulties without suspending the 40% customs tariff that affects everyone, including the United States and South Africa, even if only temporarily.

* * *

YUGOSLAVIA

Relations with the Mediterranean countries have been occupying much of the Commission's time during the past week, but on Monday official negotiations were opened with Yugoslavia in the hope of formulating a three-year preferential trade agreement between the EEC and that most western of Eastern bloc countries. Being the first agreement of its kind, the Commission regards commerical links with an Eastern Bloc country as being of great political significance and it has its importance to the Yugoslavs too, but more in commercial terms. The EEC is by far the largest trading partner of Yugoslavia, and yet she is finding herself more and more squeezed out of this market. The imposition of the Common External tariff by the Community is making things much more difficult for Yugoslav exporters, especially in the agricultural sector, so that during the first four months of this year there was a 7% fall in exports to the EEC compared with a similar period last year, whilst exports to EFTA countries have increased by 9 %. As one quarter of the country's total trade is conducted with the EEC, this 7 % loss is a crucial one. Moreover, following her firm denunciation of the Czech invasion, she is acutely aware that one third of her total trade, that with the USSR and other eastern countries, is in jeopardy and so naturally she is keen to re-inforce her trade links with the EEC.

Using the EEC's political interest in the deal as a lever, the Yogoslavs hope to obtain important concessions in the agricultural sector, where the country's greatest export growth potential lies, and on Tuesday the Yogoslavs went as far as to hint that there would be no agreement without satisfactory concessions in the agricultural sector. The French, who are sensitive to the effect that Yugoslav agricultural imports might have on their domestic production, insist that no concessions can be made to the integrity of the common agricultural policy and thus have refused to allow the Commission to make agricultural offers at this stage of the negotiations. The Concessions are then likely to include certain industrial products, and the simultaneous implementation of the tariff reductions agreed upon under the Kennedy Round agreements. The same goes for cotton textiles, as imports in this sector will simply fall under the long term agreement for all countries until "satisfactory solutions" can be found.

It seems then that the success of the negotiations will hinge on the agricultural sector. At present the Commission has only a limited mandate to cover agricultural agreements so that if the Yugoslavs are to get what they want, and what they in fact demand for the agreement to become a reality at all, the Commission will have to obtain a new mandate from the Commission. The present mandate only allows for the tender of complete Kennedy Round tariff cuts towards Yogoslavia in one go rather than spread over a number of years, so these talks can never be more then exploratory. It is unlikely that Yugoslavia's assurance that it would give guarantees that its products would not upset the Community's agricultural markets, if it were given the freedom of access that it needs, will hold much water with the agricultural sceptics of France, so this is likely to become yet another long term of negotiations.

* * *

WEU:

The Harmel Plan Finds Favour

A fortnight ago, the Belgian Foreign Minister M. Pierre Harmel put forward proposals for cooperation in matters not covered by the Rome Treaty, between the countries who are candidates for membership of the EEC, and those of the Six who feel such an aim should be pursued. The proposals are based on using the Western European Union, established mainly as a defence organisation, but whose terms envisage cooperation in other spheres (see OME No 482). The Belgian proposals were approved last week by the WEU's political committee in Paris, by 12 to 3 (two Gaullists and an Italian deputy), and this week have been under discussion by the WEU's Assembly in Paris, before forming the centre piece of the ministerial meeting of the WEU, which groups Britain and the Six, in Rome next week (Oct 21 and 22).

At the opening of the WEU meeting, the Italian president, Signor Gonfaloneri was re-elected and in his opening speech he called for a strengthening of the Community through its enlargement. The events in Czechslovakia, and the apparent need they had created for a tightening of European defence, through the emergence of a "European" grouping within NATO to counterbalance the United States, was present in the minds of those taking part. Herr Kahn-Ackermann of West Germany said that France attacked communism at home yet adopted "a schizophrenic attitude towards it elsewhere." Unfortunately there were no French governmental spokesmen taking part, and none are expected to appear before the meeting ends. Paris is trying to play down the role of the WEU and the Harmel Plan, and continues to maintain that the organisation was never intended to be used in the way envisaged by the Belgian Minister. In any case in those areas where his proposals overlap to some extent with the Rome Treaty, France believes that the members of the Six must first work out a joint position before entering into contact with the candidate countries.

Amongst those who addressed the Assembly was M. Jean Rey, the President of the EEC Commission. He maintained that the Community would be unlikely to break up because new members were admitted - this fear of change is also one of the arguments put forward by Paris for blocking British entry. In his view the economic obstacles to membership had been lessened by the Basle agreement and the economic policies followed by Britain, and although there was case for compromise over a wider community, France should try to accept the latest Brandt compromise proposals. If this took place it would probably result in a resurgence of both internal and external activity by the Community.

In a later speech on Tuesday, Lord Chalfont came out in strong support of the Belgian proposals "My Government are for their part prepared to take up the challenge presented by M. Harmel's proposals and work actively for unity in Europe", for "the moment had come to find other ways forward by action in fields outside the Community treaties". Britain was "wholeheartedly committed to seeking full membership of the Communities at the earliest possible moment". Lord Chalfont restated that "enlargement of the EEC with Britain as one of its members remains a cardinal aim of our foreign policy", and in any case Britain accepted the political ideology of the Rome Treaty, which in September the French Foreign Minister said he rejected. The Assembly voted to adopt the Harmel Plan, which now awaits the WEU ministers in Rome on October 21-22, when the attitude of West Germany may be decisive.

* * *

BRITAIN & EUROPE

Soames show European Flag

On Sunday, the new British Ambassador to France, Mr. Christopher Soames made his first major speech since taking up his appointment. He was speaking to the Popular University of Lille during the British Week there, and in a frank analysis of past and present Franco-British conflicts made it clear that in his opinion Britain would continue to adhere to her policy of seeking membership of the EEC, whichever party won the next election. "This great and important decision has not been taken lightly. You can be sure that it will not be lightly renounced". The Entente Cordiale had come about through the fear of Germany, but since that had gone, the motive for a solid and lasting friendship could only be based on common interests. Europe could only play its true role in the world if it was welded into a single market with 250 million inhabitants. Today even dynamic nations of 50 million could no longer vie effectively with the super-powers, especially the United States, whose technological advance was increasing every year. "We must put our interests and pride as Europeans before narrow national interests and arrogance"...... "We should never forget that the influence of Europe in the world will be directly proportional to her ability to speak with a united voice. If the states of Western Europe withdraw within themselves and persist in antiquated and pointless quarrels, then our successors will inherit nothing but the ruins of a house divided against itself". Britain had now thrown off its ideas of Empire, and Europe was its pivot. The economic advantages and disadvantages of joining more or less cancelled each other out from the point of view of national interest. But British industry needed the wider base of the European market and Europe needed the strength of British industry to develop her economic power. Industries should be organised on a continental scale if necessary to face up to the challenge from outside. "Technological cooperation is possible even when we are outside the Common Market, and it must be exploited. But it is only when we enter the EEC that we shall realise all the possibilities". Both France and Britain along with other European countries should no longer be concerned with the balance of forces in Europe, " it is rather the equilibrium of economic and political forces between Europe and the rest of the world".

* * *

October 17, 1968 EUROFLASH - HEADLINES A

BRITAIN	HARDMAN & HOLDEN (R T-Z group) pact with German BAERLOCHER	C
FRANCE	E.E.D., BOUCHON & PAJOT, Dutch LOEVENSTEIN insulation link-up	B
	OTIS ELEVATOR to reorganise European interests from Paris	G
	DELMAS-VIELJEUX member links with Dutch GRENCO: refrigeration	H
	DE ROTHSCHILD FRERES reorganises rail interests	J
	BANK OF AMERICA NATIONAL TRUST to open third branch in Lyons	L
	RHONE POULENC, PECHINEY-ST-GOBAIN reshape Lacq methane plant	O
	AMERICAN CYANAMID takes 50% in LABORATOIRES NOVALIS drugs	P
GERMANY	HOECHST takes over SCHROEDER & STADELMAN pigments and plastics	C
	BOELKOW/A.THYSSEN-HUETTE large container systems link-up	J
	British BLACKWOOD HODGE civil engineering plant subsidiary	K
	JAMES A. JOBLING ("Pyrex" oven glass) opens sales concern	N
ITALY	DANIELI engineering to manufacture Japanese TEZUKA presses	J
NETHERLANDS	Joint SERCK/American ROCKWELL subsidiary takes over DIKKERS	G
POLAND	S.N.P.A. and two Polish firms link for polybutadene process	K
SPAIN	CONTINENTAL GUMMI takes 50% in ESPECIALIDADES DEL CAUCHO	P
SWITZERLAND	S.N.P.A. and B.E.A.G. Berne to join in oil prospection	O
S.AFRICA	BAYER takes over CHROME CHEMICALS via Canadian subsidiary	D
U.S.A.	GEORG SCHAEFER-FAG bearings to instal plant at Joplin, Mo	J

Contents

* * *

BUILDING & CIVIL ENGINEERING

** STE D'ENTREPRISE & DE DIFFUSION CELIUM Sarl has just been formed in Paris with a capital of F 100,000 to manufacture and sell "Celium" soundproofing and insulating materials. With Mr. Louis Longchambon as manager, this is under the 80% control of the Dutch firm FABRIEK VAN BOUWAMATERIALEN LOEVESTEIN NV, Vuren (see No 467). Associates in the new concern are the Luxembourg finance company EUROPEAN ENTERPRISES DEVELOPMENT CO - E.E.D. SA (18 % - see No 469) and SUCRERIES & RAFFINERIES DE BOUCHON & PAJOT SA, Nassandre, Eure (see No 475).

E.E.D. specialises in taking temporary stakes in firms using new technological data. At present it includes some fifty shareholders from several European countries, and has had a stake in the Vuren concern for several months (see No 463).

** The Dutch civil engineering firm J.P.ANELISSEN GROEP NV, Haarlem (see No 454) and the Belgian civil engineering firm, ENTREPRISE JEAN BAUDOUX, Charleroi have each backed to the tune of 14.3% the formation of a French economic grouping in the property development sector, CENTRE INTERNATIONAL DE DEVELOPPEMENT GALILEE-KLEBER - C.I.D.G.K. of Puteaux, Hauts-de-Seine. With a capital of F.78,000, this new venture has as its other founders: Ste de Placements Diversifies Galilee-Kleber SA, Puteaux (formerly in Paris - see No 463), the Service European de Diffusion des Inventions - S.E.D.I. SA, Puteaux, as well as the construction company, Entreprise Garnier & Petitin SA, Chelles, Seine-et-Marne.

** STE PARISIENNE DE TRANCHAGE & BEROULAGE SA, Montreuil sous Bois, has sold its controlling interest in STE BELGE DES ANC. ETS WILLIAM MALLINSON SA, Anderlecht, to MALLINSON & ZONEN NV, Rotterdam, which has renamed it Ets William Mallinson Brussels NV.

The Dutch firm is a member of the British group WILLIAM MALLINSON & SONS LTD, London (building and furniture woods), which is already represented in the Belgian concern by its chairman, Sir Paul William-Mallinson.

CHEMICALS

** The Danish chemical group (paints, varnishes, laquers) SADOLIN & HOLMBLAD A/S Copenhagen has backed the formation in Paris of a timber protection products sales company, DIVISION TECHNIQUE DU BATIMENT "SADOLIN" Sarl (capital F 20,000) whose manager is M. Paul Jouffroy. This is under the direct control of the German subsidiary SADOLIN GmbH, Geesthacht (capital Dm 200,000), and the new concern is based on the premises of SADOLINS (FRANCE) SA (production facilities at Selles, Marne - capital F500,000).

The main markets for the Danish company are the car and aircraft industries. There is another Common Market subsidiary in Milan, Italo-Danese Arrigoni Sadolin SpA, (see No 308). It has other interests in Norway, Sadolin & Holmblad A/S and in Sweden, Sadolins Färgfabrik A/B and Färgfabriken Skandia A/B.

** The Frankfurt chemical group FARBWERKE HOECHST AG (see No 482) intends to strengthen its interests in the inorganic and organic colourants sector, as well as in the semi-finished plastics sector through its acquisition of FARBWERKE SCHROEDER & STADELMAN AG, Oberlahnstein (capital Dm 1.5 m.). This employs some 400 persons and has a number of West German subsidiaries including: Sternring-Plastik GmbH, Oberlahnstein (100%), Farbwerke Wilheim Urban GmbH, Spieskappel-Frielendorf (53.7%) and Mariendorfer Gummiewarenfabrik, Friedrich Max Haakh & Co KG, Berlin-Marienfeld (33.3%).

** The Manchester chemical firm HARDMAN & HOLDEN LTD, Manchester (see No 416) has carried out an exchange of licences with the Munich company CHEMISCHE WERKE MUENCHEN OTTO BAERLOCHER GmbH.

The British firm belongs to the London group, RIO TINTO-ZINC LTD (see No 472) through the mining and chemical concern BORAX (HOLDINGS) LTD, London (see No 444). The Munich firm (1966 turnover Dm 40 m. - 300 employees) specialises in fatty substances, stabilisers and softeners for the detergent industry. Degussa-Deutsche Gold- & Silber Scheideanstalt Vorm Bössler, Frankfurt (see No 481) has also taken a 36% stake in Barlocher GmbH (1966-67 turnover of Dm 35 m.).

** The two chemicals subsidiaries of the state CHARBONNAGES DE FRANCE, Paris (see No 472), STE CHIMIQUE DES CHARBONNAGES SA (fertilisers - see No 449) and CdF CHIMIE (organic agents, plastics - see No 428) have gone into association in order to organise a concerted attack on the German market. A joint subsidiary, CdF Chemie GmbH has been formed in Frankfurt (capital Dm 100,000) with Mr Charles Heywang as managing director.

The French group already had a 5% holding in Germany through Houilleres du Bassin de Lorraine SA, Merlebach, Moselle in the Saar refinery, Saarland Raffinerie GmbH, Kalrentham (capital Dm 20 m.) and a 40% holding in the ammoniac and fertiliser concern, Harnstoff- & DüngemittelwerkSaarlothringen GmbH, Perl (capital Dm 25 m.).

** The American firm MALLINCKRODT CHEMICAL WORKS, St-Louis, Missouri (see No 459) had decided to close down its French subsidiary MALLINCKRODT-EUROPE SA, Paris (capital F 1.75 m.) formed in April 1966. The St.Louis firm makes high-purity chemical products for the pharmaceutical and electronics industries.

Recently an agreement was signed with the West German firm Byk Gulden Lomberg Chemische Fabrik GmbH, Constance, covering radioactive products used for pharmaceutical and medical purposes; a joint subsidiary Byk Mallinckrodt Chemische Produkte GmbH, Frankfurt, is to be formed. Byk is a member of the Quandt group, through Varta AG, Hagen and Frankfurt.

** GAF (DEUTSCHLAND) GmbH, Cologne (formerly Sawyer's Vertriebs GmbH), a member of the New York GAF Corp (see No 467) and a sales company for chemical and light-sensitive products, has opened a branch in Hamburg which is directed by Herr Egbert Krause. The American group (formerly General Aniline & Film Corp) has as its other Common Market subsidiaries, GAF (France) Sarl, Paris, GAF Italy Srl, Milan, GAF (Belgium) NV, Saint Niklaas and GAF (Nederland) NV, Delft.

** The Brussels group SOLVAY & CIE SA (see No 482) is the majority share-holder in the company PROTECTION DU BOIS SOLVAY-BAYER SA, now established in Paris with a capital of F 100,000 (see No 476). The former's holding is in fact a direct 50%, plus 25% through its subsidiary in Düsseldorf DESOWAG-BAYER HOLZSCHUTZ GmbH (see No 406) formed in 1967 (through Deutsche Solvay-Werke GmbH, Solingen) in association with the FABRENFABRIKEN BAYER AG group, Leverkusen. The latter has a direct 25% interest in the new concern.

** The American chemicals and pharmaceuticals group MERCK & CO INC (see No 422) has simplified its Italian interests by closing the Milan branch of its subsidiary MERCK SHARP & DHOME (ITALIA) SpA, Pavia, which is directed by M.L. Privitere.

A few months ago Merck & Co completed its already considerable network of interests in France by creating the MERCK FRANCE STE DE PRODUITS CHIMIQUES SA company in Paris, with a capital of F 2.1 million. The control of this concern is shared by the Swiss Holding AG Für Merck Unternehnungen, Zug, with Laboratoires Clevenot SA, Nogent-sur-Marne.

** NEDERLANDSE STATTSMIJNEN NV, the Dutch state concern of Heerlen (see No 471) has gone into association with the CIE NEERLANDAISE DE L'AZOTE SA, Ixelles-Brussels (which has a chemical complex at Sluiskil, Netherlands - see No 244), the 65.5% subsidiary of the Milan group MONTECANTINI EDISON SpA (see No 480) and the 25 % affiliate of the London group, I.C.I. - Imperial Chemical Industries Ltd - so as to gain control of the Groningen firm, ZWARTSENBERG KUNSTMEST NV. Employing some fifty or so people in the manufacture of fertilisers and chemical products for agriculture, the Groningen firm will have its activities integrated with those of Nationale Agrarische Industrie & Handelsmij. "Agrarische Unie" NV, Groningen.

The latter company (payroll 300) was formed in 1961 following the amalgamation of NV G.J. Krol & Co's Kunstmesthandel and NV Noord - Nederlandsche Kunstmesthandel, and specialises in wholesaling and importing grain, chemical products and fertilisers, tools and machinery.

** Through its Toronto holding company BAYER FOREIGN INVESTMENTS LTD, the FARBENFABRIKEN BAYER AG group of Leverkusen (see No 480) has consolidated its interests in the South African Republic by taking over CHROME CHEMICALS (SOUTH AFRICA) PTY LTD (chrome-based chemical products, especially for the paint industry). In this country the Canadian company already had two subsidiaries - Rustenburg Chrome Mines PTY Ltd and Agro-Chem PTY Ltd.

The most recent moves of the German group in Africa date back to late 1967, when it set up three trading subsidiaries: Bayer Nigeria Ltd, Lagor, Bayer (Ethiopia) Ltd, Addis-Ababa and Bayer (East Africa) Ltd, Nairobi (see No 443).

COSMETICS

** In order to develop its sales in Spain and Latin America, the German company INKA COSMETIC GmbH, Hanover (cosmetics and perfumes - see No 359) intends to set up a subsidiary in Madrid, under the name of INKA ESPANOLA SA.

The founder company (1967 turnover Dm 25.5 million) has considerable foreign interests: Inka Cosmetic SA, Brussels (more than 95%), Inka Cosmetic NV, Laren, Netherlands (36%), Inka Cosmetic GmbH, Vienna (95%), Inka Cosmetic AF, Illnau, Zurich, HFH Holding GmbH, Zug, Inka Cosmetic Corp,, New York, etc.

ELECTRICAL ENGINEERING

** C.A. WEIDMULLER KG, Berlebeek üb.Detmold (see No 475 - electrical connection equipment) has formed a French sales subsidiary called WEIDMULLER FRANCE Sarl, Herblay, Val d'Oise (capital F 20,000) managed by Mr. H. Dequis, Frankfurt.

The German founder is headed by Herr Gottfried Gläsel, and it recently formed a Milan sale subsidiary called Weidmuller Italiana Srl, run by Signor P. Bersaninin, the minority shareholder.

** The Paris group CIE FINANCIERE DE SUEZ & DE L'UNION PARISIENNE SA (see No 480) has sold its 30 % stake - acquired in late 1962 - in ETS J. VERGER & DELPORTE SA, Paris to private shareholders in the latter concern.

This has a capital of F 10 m. and thus becomes once again a purely family company specialising in its factory at Asnieres, Hauts-de-Seine in the installation and maintenance of electrical, electronic and telephone equipment. With M. Jules Verger as head, it recently rationalised its interests by absorbing the subsidiary Ste Africaine d'Equipment Electrique & Industriel Des Ets J. Verger & Delporte SA, Paris (capital F 3m).

** WESCATOR A/B, Gothenburg, Swedish maker of "Lavassons" launderette equipment, a member of the CORONAVERKEN A/B group through C.T.C. A/B of Gotenburg (see No 451) has extended its Italian commercial network by setting up branches in Naples and Milan to its affiliate Wescator Italia Srl, Massa.

The Massa firm was set up in April 1966 with Lire 40 million capital, and is headed by Sig Francesco Moser, manager of the associated C.T.C. A/B for boilers and heating equipment. Abroad, Wescator has its own distribution network, especially in France, under EFEC - Ste d'Etudes & Fournitures pour l'Equipement des Collectivites, Paris.

ELECTRONICS

** LAMBDA ELECTRONICS CORP, Melville, New York (see No 470) control and measuring equipment for electronic components) has made its French sales office a subsidiary called LAMBDA ELECTRONICS SA, Versailles, Yvelines (capital F 100,000). The president of the new concern is Mr Frank Raible.

ENGINEERING & METAL

** The American firm HYSTER CO, Portland, Oregon (hoisting and handling equipment - see No 348) has decided to rationalise its Benelux interests by transferring the industrial activities of its Dutch subsidiary HYSTER NV, Nymegen, to its Belgian subsidiary HYSTER SA, Tessenderlo, the capital of which was raised in December 1967 to Bf 50 million. The Dutch concern will retain only its purchasing administration activities and fork-lift truck assembly.

Formed in 1965, the Belgian subsidiary employs more than 100 persons in a factory 8,000 square metres in area.

** BANK VOOR HANDEL & SCHEEPVAART NV, Rotterdam (see No 472) a member of the Dutch/Swiss group THYSSEN-BORNEMISZA (see No 479), has acquired holdings both direct and indirect in the farm machinery concern P.J. ZWEEGERS & ZONEN LANDBOUWMACHINEFABRIEK NV, Geldrop (see No 245) which has a sister company at Asten named Zweegers Machinefabrieken NV. The move has been made through NV Handels- & Transportmij Vulcaan of Rotterdam.

Vulcaan is already involved in the farm machinery sector with a 50% stake in NV Verenigde Kunstmesthandelmij Vulcaan, Rotterdam (chemical fertilisers distribution), the balance being held by Verenigde Kunstmesfabriek Mekog-Albatros NV, Utrecht, and in S. Joosten NV, Amsterdam (horticultural implements).

** NV MIJ. VOOR INDUSTRIELE RESEARCH & ONTWIKKELING, Enschede, research and development subsidiary of the Dutch company NV MACHINE- & APPARATEN-FABRIEK GEMAVO, Eibergen, has perfected an entirely automatic punching machine. Manufacture of the machine will fall to SNIJTECHNIEK NV, Enschede, which will cooperate closely with KON. MACHINEFABRIEK GEBR. STORK NV, of Hengelo (of the V.M.F. - Verenigde Machinefabrieken NV group of the Hague - see No 469); the latter will produce machines of this type for the carpet and floor-coverings industry and will sell on the entire European market not only its own products, but also those of Snijtechnik.

Gemavo has since September 1964 been linked with British interests in Libramat Holland NV, Enschede, which company has an authorised capital of Fl. 0.4 million and specialises in the manufacture and distribution of vending machines as well as the distribution of books and periodicals.

** The OTIS ELEVATOR CO of New York (see No 461) plans to set up a holding company in Paris to administer, coordinate and forward plan its Common Market interests. These comprise in particular Flohr-Otis GmbH, Berlin; Stigler Otis SpA, Milan; Otis SA, Brussels; Otis Elevator (Holland) NV, Amsterdam, and Ascinter Otis SA, Paris. The latter recently had its capital raised to F 36.4 million, and is 60% controlled, in association mainly with the holding company Revillon Freres SA and Ets Baudet-Donon-Roussel SA.

The last-named (about 5,000 on payroll) runs two plants in Paris and another at Gien. A few months ago it formed its own 97.3% subsidiary, Cie Generale des Ascenseurs - C.G.A. SA, Paris, which tookover from Generale des Ascenseurs & Ets Hamm Reunis (CGAM) SA, Levallois-Perret, Hauts-de-Seine, the whole of its lifts division.

** An association which has been concluded in the sector of mechanical equipment for the footwear industry, between the French company ANVER SA, Paris and the German company SCHOEM & CIE GmbH MASCHINENFABRIK, Pirmasens, will result in the creation of a joint subsidiary in Alsace (Bischwiller, Bas-Rhin). Formed under the name of SECOMA - STE EUROPEENNE DE CONSTRUCTION DE MACHINES SA, this company will initially employ 250 persons.

With a capital of Dm 495,000 the German partner has a payroll of 600 and an annual turnover of about Dm 20 million. The French concern (with factories in Paris, Cholet and Bordeaux) raised its capital in September 1967 from F 0.5 to 1.8 million as a result of its absorption of Nouvelle Ste De Machines a Chaussures SA, Paris and of Ste Immobiliere Chambord SA, Rochechouart, Haute-Vienne.

** The Dutch concern TOMADO NV FABRIEK VAN METAALWAREN, Dordrecht, (hardware, steel household articles etc - see No 469) has set up a trading subsidiary in Düsseldorf TOMADO GmbH, with a capital of Dm 20,000 and Herr Carl von Weiler, Rotterdam, as manager.

The founder company, which is also negotiating for the control of the metal-works NV Industriele Mij. Berkbeccon, Kampen, has an industrial subsidiary in Belgium - Tomado-Belgie NV, Blaasveld.

** The British company TEMPERED GROUP LTD, Sheffield (makers of spring and precision instruments) has set up an indirect sales subsidiary in Milan, MAXICUT SpA, with a capital of Lire I million. This is under the direct control of the TEMPERED TOOLS LTD, subsidiary and is directed by Mr Roy Proctor, with Mr G. Young as president.

The Sheffield concern has had a Spanish affiliate - Mure SA, Bilbao,- since 1961, which company is in turn affiliated to the local groups Echevarria SA and Placencia SA, and specialises in the manufacture of springs for vehicles and railways.

** The Swiss ROCKWELL AUDCO SA, joint Geneva subsidiary of the British group SERCK LTD, Birmingham, (see No 412) and the American ROCKWELL MANUFACTURING CO, Pittsburgh, Pennsylvania, has gained 51% control of the Dutch F.DIKKERS & CO NV, Hengelo (see No 440) which is raising its capital of Fl. 7 million. The Dutch concern, which produces plumbing parts, has numerous foreign interests and in particular G.Dikkers Sarl, ; Paris, SA De construction Des Appareils Pour l'Industrie-S.C.A.P.I. Vilvorde, and sales subsidiaries in Britain and Denmark.

** FRIED. KRUPP GmbH, Essen (see No 479) has wound up its Paris subsidiary KRUPP DOLBERG FRANCE SA. This had F 800,000 capital and Herr Otto Labitzke as president, and it distributed elevators, building machinery and overhead gantries for railways etc. on behalf of the group's Essen division Krupp Dolberg, which it made over in 1967 (see No 425) to Elba-Werke Ettlinger Baumaschinen & Hebezeug-fabrik GmbH, Ettlingen, Baden.

** ATELIERS & CHANTIERS DE LA ROCHELLE-PALLICE (ANC. CHANTIERS NAVALS DE LA PALLICE) SA (see No 373), a member of the CIE DELMAS-VIELJEUX SA (see No 429) has linked with the Dutch firm GRENCO NV to form GRENCO ENTREPRISE SA, Villefranch-sur-Saone, Rhone, (capital F 1 m). This will install chemical and mechanical refrigeration plant for industry and trade.

The Dutch partner specialises in refrigeration processes within the group, Grasso's Koninklijke Machinefabrieken NV, 's Hertogenbosch (see No 449), and it recently made its Brussels branch a subsidiary called Grenco-Belgium NV (capital Bf 1 m). The Belgian concern Moteurs & Francois Reunis SA, Sclessin-Ougree has a 49% state in the last-mentioned company.

** The Californian group DYMO INDUSTRIES, Berkely (see No 341) has formed a French sales subsidiary called METO-SELFETIC SA, Boulogne-Billancourt.. Until now Dymo "Rubafix" was represented in France by the Technical Products Division of Novapel SA, a member of the Gillet group through the holding company Pricel SA, (see No 402).

The new concern has M.J.L. Flammant as president, and it will distribute in France the packaging machines and automatic price markers for labels made in West Germany by METO GES. OSKAR KIND mhH, Hirschborn am Neckar. This was acquired by the American group in early 1966, and there is another West Germany subsidiary Dymo International GmbH, Frankfurt represented on the new concern's board by Herr G.M. Werner. There are numerous other interests in Belgium (St-Niklaas), Britain (Feltham), Switzerland (Lausanne), Denmark and Spain.

** MASSON SCOTT THRISSEL ENGINEERING LTD, London, a member of the London group THE MOLINS ORGANISATION LTD (through Masson Scott Thrissel Ltd) has decided to wind up the manufacturing activities(corrugated cardboard wrapping machines) of its Dutch subsidiary LANGSTON OVERZEE NV, Groningen, which employs about 100 people. This company was taken over recently from the American SAMUEL M. LANGSTON CO, Camden, New Jersey, a member of the Cleveland, Ohio group Harris-Intertype Corp (see No 471)

** DUNBAR KAPPLE INC., Batavia, Illinois (formerly DK Manufacturing Co) has wound up its Belgian subsidiary DUNBAR KAPPLE SA, Brussels (previously in Nivelles), formed in September 1962 with Bf 1.25 million capital (raised in June 1964 to Bf 1.47 m). This firm was for the assembly of its materials-handling equipment, especially for grain.

** A reorganisation of the French metal units industry involving GRAMES SA Paris, (see No 441) and a subsidiary of the PECHINEY SA group, CEGEBAT GP., is taking place. The latter was formerly Studal Ateliers de Construction de Maxeville SA having taken over A.L.U.B.A.T. - Ste Industrielle & Commerciale Pour l'Emploi de l'Aluminium SA (see No 470).

Grames (1967 turnover of F 28.8 m. from steel units, angles, joints and sound-proofed ceilings) is to make over its factory at L'Isle-Adam, Val d'Oise and business interests to a new subsidiary. This will then be transferred to Cegebat, which will become a 25% affiliate of the Paris investment company SPIMBA - Ste de Participations Industrielles Pour La Metallurgie & Le Batiment SA, Paris, which at present has a 67.7% controlling interest in Grames. Spimba is a 64.5%-35.4% subsidiary of the Cie de Pont-a-Mousson SA group (through its holding company S.P.A.F.I. SA) and Forges & Acieries de La Marine, de Firminy & de Saint-Etienne SA. This merger will then result in a smaller stake for Cegebat's former shareholders, although Cegedur will keep a majority interest (at present 66%). The shareholders are S.I.C.C.A. - Ste Industrielle & Commerciale du Cuivre & de l'Aluminium SA, Paris (part of the Charbonnages de France group); Cie Financiere SA, Paris (a member of the Edmond de Rothschild group) and Pillar Holdings Ltd, London (through Indal Continental Ltd).

A few months ago, a link-up between Grames and Sitraco - Ste Industrielle de Transformation & de Construction SA, Rueil-Malmaison was under consideration. The latter is the 83/17 subsidiary of Ateliers de Construction Schwartz-Haumont SA, Paris, and Alcan Aluminium Ltd, Montreal. The proposed agreement would have meant Grames making over its factory at L'Isle-Adam to Sitraco in return for a 40% stake.

** The Swiss ELCO OELBRENNERWERK AG, Vilters, St-Gall (see No 450) has raised the capital of its French subsidiary ELCO SA, Montreuil, Seine-St-Denis from F 1.2 to F 3 million, by consolidation of debts.

The parent company produces oil and gas burners and wood-working machinery, is owned by the Looser family and has several interests in the Common Market: Elco Belgium Sprl, St-Gilles, Brussels; Elco Oelfeuerungs GmbH, Hamburg; Elco-Oelfeuerungen Verkaufs-Ges H. Looser KG, Bielefeld; Alco-Oelfeuerungen Verkaufsges. Looser & Co KG, Düsseldorf, and the administration company Elco Oel- & Gasfeuerungen Looser Verwaltungs GmbH, Cologne.

** SVENSKA FLAEKTFABRIKEN A/S, Stockholm (see No 304), the ventilation concern, is about to reinforce its European interests by gaining 51% control of the ventilation equipment and air conditioning firm, A/B EVAPORATOR, Söderköping (see No 300). This company already has interests in West Germany in Evaporator Luftklimatechnik GmbH, Cologne and in Switzerland in Evaporator SA, Geneva.

The Stockholm group already has numerous subsidiaries or affiliates within the Community: S.F. Luchttechniek NV, Amersfoort, Ventilation SA, St. Cloud, Hauts-de-Seine - recently associated to Geoffroy-De Pors SA (a member of the C.G.E. - Cie Generale d'Electricite SA - see No 481) and Noirot-Electro Menager & Thermique SA, Paris, within the Batim, Nor., Hennevilliers group - S.F. Luft - & Wärmetechnik GmbH, Butsbach, S.F. Italiana SpA, Milan.

** A rationalisation of the railway interests of the group MM. DE ROTHSCHILD FRERES SA (see No 469) has affected CIE DU NORD SA, Paris and its sister company CIE DU CHEMIN DE FER DE PARIS A ORLEANS SA, Paris, which have made over a fleet of 550 wagons to a new company named CIE AUXILIAIRE DU NORD SA, Paris. This has F 14 million capital and M. Marcel-Louis Marcouly as president, and will also receive from Cie du Nord, which has near outright control, its minority holdings in: Cie Des Containers-Reservoirs SA, Cie des Wagons-Reservoirs, Ste d'Etude & d'Exploitation des Wagons Specialises and Ste de Location de Wagons-Citerne-Solowac SA.

** The German precision engineering and ball-bearing concern FAG - KUGELFISCHER GEORG SCHAEFER & CO oHG, Schweinfurt (see No 456) is to extend its industrial interests in the USA by forming a subsidiary at Joplin, Missouri, to come into operation in 1969 with an initial payroll of over 400.

In Europe.Georg Schäfer recently gained control of the Austrian bearing concern A.K.F. - Allgemeine Kugellagerfabrik Ag, Vienna, which in 1967 turned over Sch 100 million. This concern has sales offices in Essen and since 1965 has had a subsidiary in Munich (see No 327) called A.K.F. Allgemeine Kugellagerfabrik Vertriebs GmbH (capital Dm 20,000). Its new parent company at Schweinfurt has numerous foreign subsidiaries, particularly in France, Italy, the Netherlands, Spain, Switzerland and Canada.

** OFFICINE MECCANICHE DANIELI & CO SpA, Buttrio, Udine, has made an agreement with the Japanese TEZUKA KOSAN CO, Tokyo, under which it receives the manufacturing and sales rights in Italy for the latter's "Tezuka" scrap presses.

Officine Mecc 'che Danieli specialises in engineering for the steel industry and tools for rolling mills, ,d is at present fulfilling a contract in Tanzania for National Rolling Mill Ltd. It has a sub ry named Danieli-Schneider SpA at Buttrio in common with the French group Schneider SA, Paris, and another in the USA,Danieli of America Inc.

** An agreement to cooperate on the technical development and manufacture of large containers for both road and r il and of all allied equipment has been reached by the two German companies, THYSSEN-INDUSTRIE GmbH, Dinslaken and WAGGON- & MASCHINENBAU AG, Donauwörth (see No 437).

The latter company is under the con rol of the aircraft manufacturing firm, BOELKOW GmbH, Ottobrunn (affiliated amongst others to Nord-Aviation SA, Paris and The Boeing Co,Seattle, Washington) which is itself in the course of amalgamating with the Augsburg concern Messerschmitt AG to form a new group called Messerschmitt-Bolköw GmbH (see No 479).

Thyssen-Industrie is itself a 100% subsidiary of August Thyssen-Hütte AG, Duisburg-Hamborn (see No 481), whose capital has just been increased from Dm 756 to 906 million in exchange for 96.2% of the shares of Hoag-Hüttenwerk Oberhausen AG, Oberhausen (capital Dm 260 m.), which up till then was affiliated to the Haniel group (see No 475).

** S.N.P.A.-Ste NATIONALE DES PETROLES D'ACQUITAINE SA (see No 471) a member of the state-owned oil group, E.R.A.P.-ENTREPRISE DE RECHERCHES & D'ACTIVITES PETROLIERES (see No 481) has reached an agreement with the Polish concerns, POLIMEX, Warsaw (see No 416) and Z.P.A.-ZJEDNOCZENIE-PRZEMYSHC-AZOTOWEGO on: 1) the exploitation of a new polybutadene manufacturing process: 2) the sale of complete installations as well as the sale of polybutadene in Europe.

Specialising in the import and export of plant for civil engineering and construction work, machinery and installations for the food and chemical industries, Polimex has a wholly-owned subsidiary in West Germany, Depolma-Deutsch-Polnische Maschinenhandels GmbH, Neustadt.

** The London civil engineering plant, leasing, distribution and maintenance concern BLACKWOOD HODGE LTD (mainly earth-movers - see No 362) has formed a subsidiary in Düsseldorf: BLACKWOOD HODGE DEUTSCHLAND GmbH (capital Dm 20,000 - manager Mr. Gerald Zitter, Horton, Northants).

The British firm has over forty foreign subsidiaries, mainly in the Commonwealth and has long been established in the EEC with Blackwood Hodge (Belgique) SA, Woluwe-St-Etienne.

** ETS J. SAMBRON Sarl, Pontchateau, Loire Atlantique (civil engineering equipment - dumper trucks, self-propelled cranes etc) has extended an already very active sales network in Italy by providing its Verona subsidiary SAMBRON ITALIANA SpA with a branch at Corsico Milano. This specialises in sales of dumper trucks.

FINANCE

** A rationalization move within the Paris banking group DE NEUFLIZE, SCHLUMBERGER, MALLET & CIE Snc (see No 475) will strengthen two subsidiaries, CIE GENERALE FRANCAISE DE CREDIT SA (president M.A. Hulin) and STE DE GESTION MOBILIERE SA (see No 335).

Cie Generale Francaise de Credit (capital F 6 m - assets on June 30, 1968 of F 48.13 m - 30.9 in investments, and 23.9 in current accounts) will make over its banking interests and property assets to Neuflize, which will merge with its own 1.3 % affiliate, Ste de Gestion Mobiliere SA (80 % directly and indirectly controlled by Neuflize). It thus gives the new company a 36 % stake in Credit General Pour Le Commerce & L' Industrie-Genecredit SA (capital recently raised to F 7 m) as well as lesser shareholdings in Credit Electrique & Gazier SA (5 %), Cie Parisienne de Reescompte SA (4.7 %) and in Union Financiere Pour Le Development du Commerce SA (2.5 %)

** In order to further their activities on the German market, the New York brokers EMANUEL DEETJEN have decided to open a branch in Frankfurt. They are already represented in Europe by a subsidiary in Lausanne, EMANUEL DEETJEN SA (capital Sf 150,000), which was formed in 1959.

** The BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION, San Francisco (see No 481) which has been in Paris since 1955 and since 1967 in Marseilles is to open its third French branch in Lyons.

Throughout the Common Market countries, the American bank has numerous branches including those in Antwerp, Brussels, Düsseldorf, Munich, Amsterdam and Rotterdam. There is also a Milan subsidiary called Banca d'America & d'Italia SpA with over 80 branches throughout Italy.

** Signor Gerado M. Mignacca will be in charge of the branch to be opened in mid-November in Milan by the BANK OF MONTREAL LTD(see No 480), the first Canadian bank to carry out such a move in Italy.

The Bank of Montreal has offices in Paris and Düsseldorf, and so far this year has considerably extended its European interests by taking shareholdings in Banque Trans-altantique SA (see No 455) and in West Germany in Joh. Beremberg Gossler & Co, Hamburg (see No 441).

** The BANQUE DE L'INDOCHINE SA, Paris (see No 477) and the BANCO POPULAR ESPANOL SA, Madrid (see No 381) have each bought a 15 % holding in the CREDIT ANDORRA SA, Andorre-la-Vieille, in which their representatives will be Messrs. Alain Felix and Rafael Termes respectively.

The Madrid bank also has interests in the Frankfurt merchant bank, Hardy & Co. GmbH and in the Geneva Imefbank. It is also associated to the Chicago finance group, Walter E. Heller & Co. in Cie Espanola de Factoring SA Madrid.

FOOD AND DRINK

** The French dairy group, GERVAIS DANONE SA (see No 452) has added to its interests in Belgium by setting up a subsidiary in Molenbeek-St-Jean called STE DES PRODUITS LAITIERS STENVAL SA. Active in both the manufacturing and sales sectors, this new company (capital Bf 15 m) is directly controlled by a 51 % subsidiary, LES FERMIERS REUNIES DE FLANDRES SA, Steenworde, Nord (see No 415) and two subsidiaries of the latter, Ste Dunkerquoise de Distribution des Produits Stenval SA and Ste Valenciennoise de Distribution des Produits Stenval SA, both at Steenvoorde. Fermiers Reunis des Flandres (sales of F 122 m. in 1967) produces under the name "Stenval" yoghurts, cream cheeses (49 % of its turnover) as well as butter and Dutch type cheese.

Gervais Danone's interests in Belgium consist of two main firms: 1) Fromageries Ch. Gervais Extension Belge SA (controlled 97.4 %) which turned over Bf .263.6 million in 1967; 2) Ste Danone Extension Belge SA (66.6 % subsidiary) whose turnover reached Bf 52.3 million in 1967. Supplying the whole of the Benelux they have both made over to their subsidiary, Gerdabel Nederland NV, Amsterdam (see No 448) the management of their distribution in the Netherlands. Some of the distribution of the second firm in Belgium is looked after by Cie des Produits Lacsoons SA, Rotoelaar (a member of the Beatrice Foods Co. of Chicago).

** A link-up is being negotiated between two French canning and preserved foods groups, CIE SAUPIQUET SA, Nantes (see No 451) and CIE INDUSTRIELLE ALIMENTAIRE SA, C.I.N.A.L. Saint-Herblain, Loire-Atlantique, who have a joint total turnover exceeding F 200 m.

The Nantes firm is an affiliate (10 % each) of Maison Olida SA, Neuilly, Hauts-de-Seine (which has just taken over Jean Caby & Cie Sarl to form the new group, Ste Olida & Caby Associes SA - see No 480), Generale Alimentaire - G.A.S.A., Neuilly and the finance company Ufinal-Union Financiere Pour Le Developpement de l'Industrie Alimentaire SA, Paris. For its part C.I.N.P.L. was formed in 1965 by Cie Francaise Industrielle Alimentaire (C.O.F.R.I.A.) SA taking over Ste Francaise du Graal SA, Ste Immobiliere Auxiliaire du Graal (S.O.C.I.A.) SA and Rouilland Fils Freres SA.

** The French pasta and prepared foods concern ETS. MILLIAT FRERES SA, Nanterre, Hauts-de-Seine (see No 447) is forming an association with the company which has been distributing its products in Spain for the past three years, FRANCISCO SAULA, Barcelona in order to form, MILLIAT-Saula SA, Barcelona, whose chairman is to be M. Milliat and the managing director Sr. Juan Saula-Banns. The new company will have a food factory in Granollers (near Barcelona), which is due to open in the Spring of next year.

Two other French semolina and pasta firms have already entered the Spanish market (see No 469), Pates Alimentaires Rivoire & Carret Sarl, Marseilles and Ets. Lustucru SA, Grenoble, Isere. These companies have formed an association to set up in Madrid the manufacturing and sales company Rivoire & Carret Espanola SA (capital Pts 75 m), together with the Marseilles groups, Unipol - Union des Industries des Produits Oleagineux and Ste des Vins de France SA (through Ste Financiere Margnat Freres Sarl).

** The fourth French ice-cream firm, STE CREMIERE NANTAISE (FRIGE CREME) SA, Nantes (a member of the Grands Magasins Decre group, Nantes) is to acquire a new 33 % shareholder, the COOPERATIVE LAITIERE DE LA REGION NANTAISE - CO.LA.RE.NA, Nantes as the result of a decision to build a new production unit at Saint-Herblain, Loire-Atlantique.

Co.La.Re.Na. (production facilities at Campbon, Fresnay-en-Retz-, Notre-Dames-des-Landes, Plesse and Savenay) has recently become linked with Ste de Diffusion de Marque-Sodima, which sells dairy products in France ("Yoplait" brand) made by several cooperatives: L'Union des Cooperatives Agricoles Laitieres du Maine- U.C.A.L.M., Le Mans, Cooperative Laitiere Centrale de Paris -C.L.C.P., Ivry, Val-de Marne; Organisation Regionale Laitiere Agricole Cooperative-O.R.L.A.C., Grenoble; Union Laitiere Cooperative-U.L.C., Toulouse; Centrale Laitiere d'Amiens-Clara, Amiens, Somme, and Ste des Produits Laiters Richemont A.C.A. (Avenir Cooperative d'Auvergne), Clermont-Ferrand.

* * *

GLASS

** IVES VETROCOLOR-INDUSTRIA VETRARIA SARONNESE SpA, Varese (capital raised to Lire 480) which makes bottles for wines and spirits, and glass containers for the pharmaceuticals industry has taken over another hollow-glassware firm SOCOVEN SpA, Milan.

** The British manufacturer of "Pyrex" glassware JAMES A. JOBLING CO LTD, Sunderland (see No 234) has formed a sales subsidiary in Düsseldorf, JAMES A. JOBLING & CO GmbH (capital Dm 48,000), which is managed by Mr. Raymond Cottier, Sacristan, Co. Durham.

The founder company is affiliated 60/40 to Thomas Tilling Ltd of London (see No 469) and to Corning Glass Works of Corning, New York (see No 467), and has an annual turnover of more than £11 million. In June of this year it acquired a majority interest in the Spanish glass manufacturer Afora SA, Barcelona, which has depots in Madrid and Bilbao.

INSURANCE

** After several weeks of contesting majority control of the British insurance group THE LIFE ASSOCIATION OF SCOTLAND LTD, Edinburgh with the British group NOBLE LOWNDES ANNUITIES LTD. London, the Dutch group NATIONALE NEDERLANDEN NV, Delft (see Nos 474 and 478) has finally gained control.

This will be headed by a new London company established by the Dutch group and called NATIONALE-NEDERLANDEN (U.K.) LTD (capital £100) to run its British interests.

** A technical and cooperation agreement has been signed between five Common Market insurance groups, whose premiums total around F 1,000 million. Negotiations are taking place with the aim of including an Italian group in the near future.

The companies involved are: 1) NV NEDERLANDSCHE LLOYD, Amsterdam (see No 452) second in the Dutch "Fire, Accident and General Risks" sector (Fl 143 m. premiums) and thirteenth in the "Life" sector (Fl 21 premiums); 2) CAISSE NATIONALE BELGE D'ASSURANCES - ASSURBEL SA, Brussels (see No 430) which is affiliated to Brufina SA, Brussels (see No 477) and to Banque de Paris & des Pays-Bas, Paris, through Copeba SA, Brussels); 3) LE LANGUEDOC SA, Paris (see No 464) which has been linked since January 1968 by a convention coordinating their activities and harmonising their technical administrative, commercial and financial aims with two other French companies , Cie Generale d'Assurances Rhin & Moselle SA, Strasbourg and Le Secours SA; 4) LE FOYER SA, Luxemburg; 5) AACHENER & MUENCHENER FEUERVERSICHERUNGS GESELLSCHAFT Aachen (1967 premiums: Dm 255.8 m) whose main shareholders Aachener Rückversicherungs-Ges., Aachen (28.62 %), Colonia Kölnische Versicherungs AG, Cologne (4.23 %), Gladbacher Feuerversicherungs AG, Münchengladbach (4.12 %) Thuringia Versicherungs AG, Munich (1.95 %) and Aachener & Münchener Lebensverischerungs AG, Karlsruhe, are also affiliates.

** STE GENERALE DE COURTAGE D'ASSURANCES (S.G.C.A.) SA (an affiliate of the BANQUE DE L'UNION PARISIENNE - C.F.C.B. SA, Paris - see No 462) has taken a stake in backing the newly formed STE EUROPEENNE DE REASSURANCES "SER" Sarl (capital F 20,000). This is controlled by STE INTERNATIONALE DE REASSURANCES (S.I.R.) SA, Paris (see No 244).

The last-mentioned company had already linked 20-30 in 1962 with S.G.C.A. to form S.G.C.A. - Sta Generale Di Consulenza Assicurativa SpA, Milan, which is now called S.G.C.A. - Ste Generale di Consulenza Assicurativa Di Francesco Risito & Co Sas (capital Lire 8 m.).

** The Amsterdam insurance firm H. VAN DAM AZN & ZONEN, the subsidiary of the property finance company NV BANK VOOR ONROERENDE ZAKEN, Amsterdam (see No 448) is to regroup its interests with those of a broking house S.G. ENGELSMAN JR., Amsterdam. This new group will be headed by Messrs G. Bolle and S.G. Engelsman..

OFFICE EQUIPMENT

** A technical cooperation agreement covering the manufacture of office furniture has been signed between RATIONAL-BUEROMOEBEL-FABRIK REICHMANN SOEHNE KG, Cologne-Ehrenfeld and F. SOENNECKEN KG, Bonn. The latter has production facilities at Bonn and Hillersheim, Eifel (totalling around 900 persons) and is a 50-50 subsidiary of Louis Leitz Briejordnerfabrik Kg, Stuttgart (see No 413) and Bubiag-Braunkohlen- & Brickett Industrie AG, Munich, itself controlled by Schaffgotschbergwerksgesellschaft, Munich.

OIL, GAS & PETROCHEMICALS

** STE DES USINES CHIMIQUES RHONE POULENC SA, Paris, and PRODUITS CHIMIQUES PECHINEY SAINT-GOBAIN SA, Neuilly-sur-Seine, have placed in the hands of their joint Paris subsidiary RESINES & DISPERSIONS - REDIS SA (formerly Acetalacq SA) their dual control (40% and 60% respectively) of a plant at Pradies, Basses Pyrenees for production of oxygen and acetylene from methane extracted at Lacq. As a result of the move, which brings with it gross assets of F 25.93 million, Redis' capital has been raised to F 15.9 million, and Rhone Poulenc's stake therein increased from 36.9% to 64.9%.

** SNPA - STE NATIONALE DES PETROLES D'ACQUITAINE SA (see No 471) controlled by the state owned ERAP - ENTREPRISE DE RECHERCHES & D'ACTIVITES PETROLIERES, Paris, is about to start prospecting for oil in Switzerland now that it has been granted a licence covering the Mittelland. The work will be carried out in association with BEAG-BERMISCHE ERDOEL AG, Berne and they will together form a subsidiary for this purpose called, AQUITAINE SUISSE SA. SNPA's Swiss interests include 24% in Mittelland Erdöl AG, Soleure (capital Sf 240,000) which was formed in 1952. Its new associate BEAG (capital Sf 1.32 m.) has two principle shareholders: Bernische Kraftwerke AG, Berne (capital Sf 56 m.) and Swisspetrol Holding SA, Zug (capital Sf 3 m.) which is affiliated amongst others to Elektro-Watt Elektrische & Industrielle Unternehmungen AG, Zurich (see No 480).

PAPER AND PACKAGING

** The German manufacturer of wall papers, MOHR & CO, Wuppertal, Soonborn will from now on be represented in Belgium by a sales subsidiary, D.L.M. Sprl, Roëslare. This firm has just been formed with a capital of Bf 2.4 million (75 % paid by M. Hans Mohr, owner of the parent company), a minority holding being in the hands of local interests - Messrs. L. Dulhao and W. Lamote, joint managing directors of the new firm.

PHARMACEUTICALS

** CLIN-BYLA INTERNATIONAL Sarl, formed in Paris in 1967 with F 500,000 capital to coordinate the foreign business of the chemicals and pharmaceuticals group ETS CLIN-BYLA SA (see No 480), has opened a branch in Cologne under M. Jean-Louis Besancon.

One of the group's most recent moves in the EEC was to set up a sales agency and trading company named Clinex Srl in Milan (see No 371), under the direct control of Laboratoires Clin - Comar Sarl, Paris, and Laboratoires Byla Sarl, Paris.

** The AMERICAN CYANAMID CO, Wayne, New Jersey (chemicals and pharmaceuticals - see No 422) has enlarged its Common Market pharmaceutical interests by taking a 50 % stake in the French concern LABORATORIES NOVALIS SA, Oullins, Rhone. This makes a wide range of products including Adrenargol, Cellunosol, Adol, Nevro-vitamine, Nasobore, Hypnopax, Lugocalcion.

The American group makes anti-carcinogens, vaccines and anti-biotics, and there is a Brussels pharmaceuticals subsidiary Lederle Belge SA. It already has a French affiliate, Cyanamid de France SA (formerly John H. Beck France SA established in 1962 by John H. Beck Inc, Springfield, Massachusetts). The sales side of its Zurich subsidiary Cyanamid International, which manages its European interests is the responsibility of two Paris firms: Ets G. Devineau SA (chemical products - see No 450) and Merac Inc (plastics). In the laminated panels sector it has an interest - through its 40 % London affiliate, Formica International Ltd - in Formica SA, Paris and Quillan, Aude and in Sapif SA, Choisy-le-Roi, Val-de-Marne.

RUBBER

** The Munich plastics and rubber group METZELER AG (see No 477) has extended its Italian interests by gaining outright control of the Turin distribution company METZELER ITALIANA SpA (see No 377). This makes tyres and technical rubber industrial goods.

Within the Common Market, Metzeler controls directly - or through its wholly-owned subsidiary Correcta Werke GmbH, Bad Wildengen (see No 436) - a number of subsidiaries: 1) In France these include Metzeler Mousse SA, Bischwiller, Bas-Rhin (formerly Molti France SA, Paris - see No 347), Sentuc Porexpan SA, Bayonne (on an 80/20 basis with the local cork firm Ets Sentuc SA), Bypor SA, Solestat (see No 436) and Metzeler France Sarl, Nanterre, Hauts-de-Seine (see No 378); 2) in Luxembourg, Metzeler Benelux Sarl ; 3) in Belgium, International Rubber-Interrubber SA, Seneffe. The group's largest foreign subsidiary is in Britain: Kay Metzeler Ltd, Macclesfield, Cheshire (formerly Key Bros. Plastics Ltd - see No 358), but it has other interests in Denmark, Spain, Greece, Austria, etc.

** The leading West German rubber group CONTINENTAL GUMMI-WERKE AG, Hanover (see No 480) has raised its Spanish interests by taking a 50 % stake in ESPECIALIDADES DEL CAUCHO SA, Madrid (capital Pts 5.75 m). This is headed by Senor Ramon Arenas and has about 200 persons on the payroll.

The West German group (1967 turnover Dm 1,119 m) already had an interest in Continental Industrias Del Caucho SA, San Fernando de Hendres, Madrid (79.67 %) which has a capital of Pts 38.4 million.

TEXTILES

** KLOPMAN MILLS INC, Rockleigh, New Jersey (see No 396) one of the top cotton firms within the American group, BURLINGTON INDUSTRIES LTD (see this issue) will be represented in France by a newly-formed 80 % direct sales subsidiary called KLOPMAN MILLS Sarl, Paris (capital F 20,000). Manager of the new concern is Mr. Blair C. Gammon, Rome and the minority shareholder is Mr. William A. Klopman, in charge of the founder.

Klopman Mills is controlled by Textiles Operations Limited, a direct subsidiary of Burlington Industries. A few months ago its first Common Market cotton processing plant came into operation at Frosinone, Rome; employing some 600 persons this belongs to the Rome subsidiary Klopman International, Rome (see No 377) which is headed by Mr. P.E. Allwin. Since late 1966 there has been a West German sales subsidiary in Dusseldorf called Klopman Mills GmbH.

** Negotiations are about to be brought to a conclusion on the purchase of COTONIFICIO VALLE DI SUSA SpA's (Sant' Antonio, Milan) manfacturing facilities, following its failure. The intending buyer is E.T.I.-ESERCICI TESSILI ITILIANI SpA, Milan (see No 402) and the purchase price has been quoted as Lire 40,000 million.

Cotonificio Valle Susa has Sig. Felice Riva (see No 355) as its managing director, a man who is also an owner of holdings in Finanziaria F.C.R. & Co., Turin and Finanziaria Susa SpA, Milan. The ten manufacturing complexes which belonged to the group have for some time been leased by E.T.I., a joint subsidiary of Montecantini Edison SpA, SNIA Viscosa, Mediobanca SpA, Pirelli SpA and Fiat SpA, since 1965.

** MANHATTAN INDUSTRIES INC, New York (formerly the Manhattan Shirt Co - see No 403) and the Citta di Castello, Perugia shirt company MAXIM Sas have made an agreement granting the latter rights to manufacture Manhattan's making-up goods for mens and womens clothing.

Manhattan was until now represented on the Italian market by Import Line Srl, Florence, and has several licensees in Europe, especially for the Benelux, with the Dutch making-up concern Trenco, which is headed by the Breda holding company, Beleggingsmij Bison NV, which itself recently formed a sales subsidiary in Milan - Trenco Srl (see No 474).

** After having acquired control at the end of 1967 (see No 438) of SCHAPPE SA, Geneva and Lyons, the American textile group, BURLINGTON INDUSTRIES INC., Greensboro, New Jersey (see No 477) has increased its interests within the Six by forming a subsidiary in Amsterdam, SCHAPPE NEDERLAND NV. Under the direct control of Schappe SA, Geneva and of Schappe-Tex AG, Basle, the new company (capital F 75.000) will be directed by M. J.P. Stadelmaier of Nymegen and will sell in the Netherlands synthetic fibres and threads, made in particular by the German subsidiary, Deutsche-Schappe-Tex GmbH, Zell-Am-Wiesental.

TOURISM

** The Franco-Belgian group CIE INTERNATIONALE DES WAGONS-LITS & DU TOURISME SA, Brussels (see No 445) has formed two administration companies in Paris: SO. GE. RE. HO. SA and S.E.H.R. SA (each with F 100, 000 capital) to build and run restaurants, hotels and catering establishments.

M. Y.B. Baron, who runs the hotels side of the group's business, is president of both new concerns, in which Wagons Lits' stake is 49% in either case, the balance being split 50-50 between two of the group's Paris investment companies, IMECO - Ste de Gestion Immobiliere & de Transactions Commerciales & Foncieres SA (capital F 4.8 million) and Georges Rosell SA (capital F 1 m.).

TRADE

** The Belgian department store group G.B. ENTREPRISES SA (formerly SUPERMARCHES G.B. SA, Endengen-les-Anvers, before taking over GRAND BAZAR D'ANVERS SA) has sold off its Amsterdam subsidiary GALERIES MODERNES NEDERLAND NV (see No 356) to the Dutch group in the same sector, BIJENKORF BEHTER NV, Amsterdam (formerly NV MAGAZIJN "DE BIJENKORF" - see No 341). Galeries Modernes is now under M. R.L. Miellet and employs some 1,400 persons. There are branches in Rotterdam (2), Amsterdam, Utrecht, Groningen, Arnhem, Ryswick, Enkluizen and Gorcum as well as a warehouse in Nianen.

TRANSPORT

** The international transport company FRIEDRICH BOHNE INTERNATIONALES TRANSPORTWESEN oHG, Bremen,is in the process of setting up a subsidiary in Rotterdam, which will coordinate its foreign activities under the name of ROSENKRANZ INTERNATIONAL (HOLLAND) NV.

The founder company, which employs more than 1,100 persons, has a number of subsidiaries in the Federal Republic (Frankfurt, Bonn, Brunswick, Wilhelmshaven, Hamburg, Witten etc) and also an administration company in Zurich - Friedrich Bohne Holding GmbH, which was founded in 1963 (see No 221).

** The Rotterdam transport group VAN NIEVELT GOUDRIAAN'S & CO'S STOOMVAART MIJ. NV (see No 481) - which the Utrecht transport and fuels group S.H.V.-Steenkolen-Handelsvereeniging NV envisages taking over - has sold its Dutch stake in V.N.S. - Verenigde Nederlandsche Scheepvaartmij. NV. Other shareholders in the latter are a number of groups: Ned. Scheepvaart Unie, Amsterdam (NV Stoomvaartmij. Nederland, Hilversum, NV Kon. Rotterdamsche Lloyd NV, Kon. Paketvaart Mij. K.P.M. NV and Kon. Java-China Paketvaart Lijnen NV) Phs. Van Ommeren NV, Rotterdam (see No 477), NV Nederlandsch-Amerikaansche Stoomvaart-Mij "Holland-Amerika" Lijn, Rotterdam (see No 458) and Kon. Ned. Stoomboot Mij. NV, Amsterdam (see No 472).

Van Nievelt is already linked with S.H.V. in a joint subsidiary called Stuwadoors Mij. Heyplaat NV. Earlier in 1968, the latter linked with Furness' Scheepvaart & Agenturen Mij. NV, Rotterdam (see No 450) to form Unitcentre NV.

* * *

CORRECTION:

CHASE MANHATTAN (No 479, September 19 - P. K): Should read:

THE CHASE MANHATTAN BANK N.A., New York, which has had a representative office in Rome for 41 years (see No 477), is to open an agency in Milan under Mr Frank Salerno. This will open early in 1969, and will be the American bank's eighth European branch.

Its most recent Common Market moves have been the opening of its third West German agency in Munich (see No 431), and the opening in Brussels of a representative office for its subsidiary Chase Manhattan Overseas Banking Corp (see No 469).

INDEX TO MAIN COMPANIES NAMED